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Department of Justice announces resolution to consumer fraud investigation

WILMINGTON – The Delaware Department of Justice announced today that more than 70 customers who filed complaints about two travel companies will receive full refunds under a settlement between the companies and the Attorney General's Consumer Protection Unit. Nine customers will receive discounts and incentives they believed had been offered but not provided.

"Attorney General Biden has made protecting consumers a top priority for the Department of Justice because Delawareans deserve to be treated fairly," said Timothy Mullaney, Director of the Department's Fraud and Consumer Protection Division. "We will make sure these companies follow through on this agreement and that consumers receive the refunds they deserve."

The complaints were lodged between June 2009 and May 2010 against Serenity Travel and Destination Vacation International. Customers alleged that the companies offered discounts on cruises, lodging and other travel products if they attended the companies' marketing presentations, but then either failed to provide promised incentives or required customers to pay previously undisclosed fees. Customers also complained that they were pressured to pay to join the travel clubs before they could research the companies, were not provided travel price quotes at marketing presentations, and that the company opened credit cards in their names without permission. Serenity, customers said, claimed to have a strong rating from the Better Business Bureau when, in fact, the company had lost its accreditation.

In the settlement, the companies agreed to refund customers within 30 days for the fees they paid to join the travel club. Additional customers will receive discounts they were originally promised. The companies also agreed to clearly disclose all of the terms and conditions for receiving incentives over the phone, in written promotions, at oral presentations, in gift acknowledgement forms signed by customers, and on their websites. Moreover, the companies' disclosures of terms and conditions, which under the settlement must be approved by the Delaware Department of Justice, will also include exact dollar amounts, specific requirements, such as attending marketing presentations, and blackout dates and geographic restrictions for travel. They will also disclose to customers that they can obtain the best price on travel booked through the companies by calling the companies rather than using their Web site.

Delaware Consumers can file a complaint with the Consumer Protection Unit by calling 800-220-5424. A consumer complaint form is also available on the Attorney General's website at www.attorneygeneral.delaware.gov.

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